

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 932 - HB 1335**

February 20, 2019

**SUMMARY OF BILL:** Authorizes any municipality, county, airport authority, and utility district to regulate the use of tobacco products in public places, places of employment, and parks.

**ESTIMATED FISCAL IMPACT:**

**Increase Local Expenditures – Exceeds \$30,000/One-Time/Permissive**

Assumptions:

- Such local government entities are not permitted to regulate the use of tobacco products in a manner which is less restrictive than required by state law.
- There will be no increase in state expenditures as a result of local government regulation.
- Local government entities are authorized to regulate the use of tobacco products at transportation facilities, schools, places of amusement, parks, playgrounds, hallways, lobbies, nonresidential portions of apartment houses and hotels, and places of employment.
- Pursuant to Tenn. Code Ann. § 39-17-1803, smoking is prohibited in all enclosed public places including areas used by the general public in businesses, lobbies, hallways, and other common areas in apartment buildings, public and private transportation facilities, public meeting rooms, etc.
- It is unknown the number of private businesses where smoking is currently prohibited as a result of state law, how many local governments will opt to regulate and prohibit tobacco use on private grounds, and the extent of any regulation; however, local government entities will regulate tobacco use on locally-owned and operated property.
- Pursuant to Tenn. Code Ann. § 39-17-1805(a), signage must be placed clearly and conspicuously at every entrance to any public location where smoking is prohibited.
- The local government owning and operating the park or public space defined by the proposed language would be responsible for costs associated with erecting such signage if the local government, in regulating the use of tobacco, opted to prohibit it completely.
- Signs are estimated to cost an average of \$25 per sign.
- Assuming each local government entity authorized to regulate the use of tobacco products elects to prohibit such use at one or more locally-owned locations, the one-time permissive increase in local government expenditures is estimated to exceed \$30,000.

- Any fine revenue collected by local government as a result of violations of the regulation is estimated to be not significant.

## **IMPACT TO COMMERCE:**

### **Increase Business Revenue – Exceeds \$30,000/One-Time**

**Other Fiscal Impact – Any impact to business expenditures cannot reasonably be determined.**

#### **Assumptions:**

- Local government entities electing to prohibit the use of tobacco products will purchase the required signage from private business; therefore, there will be an increase in business revenue estimated to exceed \$30,000. No significant impact to jobs will occur as a result of this legislation.
- Pursuant to Tenn. Code Ann. § 39-17-1804(6), private business owners with three or fewer employees may allow smoking in an enclosed room not accessible to the general public; however, smoke from that room may not infiltrate areas where smoking is prohibited.
- Pursuant to Tenn. Code Ann. § 39-17-1803, smoking is prohibited in all enclosed public places including areas used by the general public in businesses, lobbies, hallways, and other common areas in apartment buildings, public and private transportation facilities, public meeting rooms, etc.
- It is unknown how many local government entities will opt to regulate private businesses which are not currently regulated under state law, and if any regulating local government will require the prohibition of tobacco use and possession on the property of the private business and ultimately require the private business to purchase signage pursuant to Tenn. Code Ann. § 39-17-1805(a).
- Any impact to business expenditures for purchasing such signage cannot reasonably be determined.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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